

Advanced Power Electronics Co., Ltd.

Code of Ethics

All articles adopted by the meeting of Company's Board of Directors on March 23, 2005.

The amendment approved by the meeting of the Company's Board of Directors on March 30, 2015.

Article 1 Purpose of and basis for adoption

Advanced Power Electronics Co., Ltd. (hereinafter referred to as the "Company") and its directors and managerial officers shall conduct business in accordance with the highest ethical standards, and to help interested parties better understand the ethical standards. This Code of Ethics is hereby stipulated in order to establish an obedience and maintenance standard.

Article 2 Content of the code

1. Prevention of conflicts of interest:

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from conflicts of interest. The aforementioned personnel actions and/or transactions with affiliated companies must be handled in accordance with the company's "Endorsement and Guarantee Operation Procedures", "Acquisition or Disposal of Assets Processing Procedures" or other regulations. The Company shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

2. Minimizing incentives to pursue personal gain:

The Company shall prevent its directors, or managerial officers from engaging in any of the following activities: (1) Obtaining personal gain by using company property or information or taking advantage of their position (2) Competing with the Company.

When the Company has an opportunity for profit, it is the responsibility of the directors, and managerial officers to maximize the reasonable and proper benefits obtained by the Company.

3. Confidentiality:

The directors, and managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

4. Fair trade:

Directors, and managerial officers shall treat all stakeholders fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of company assets:

All directors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes.

6. Legal compliance:

In addition to following the Company's internal regulations, the Company shall comply with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities:

The company shall raise awareness of ethics internally and encourage employees to report to the Audit Committee, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

8. Disciplinary measures:

When a director, or managerial officer violates the code of ethical conduct, the company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.

9. Remedies

If the Company's interests are affected unintentionally or unintentionally, a supporting document must be submitted to explain to the investigator. After it is proved to be unintentional, the Company may clarify and explain on the Market Observation Post System (MOPS) based on its importance.

Article 3 Procedures for exemption

Any exemption from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS.

Article 4 Method of disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 5 Enforcement

The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, delivered to the Audit Committee, and submitted to a shareholders meeting.